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**Energy firm, environment group reach settlement**

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*A study will look at energy efficiency throughout Tri-State's entire system as part of compromise in the Amity Canal water change case.*



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THE PUEBLO CHIEFTAIN**

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A settlement in a water court case has led to a groundbreaking settlement between an environmental group and a wholesale energy supplier.

Tri-State Generation and Transmission Association and Environment Colorado announced Friday that a systemwide study of energy efficiency will be part of a settlement in a Division 2 Water Court case that seeks to convert nearly half of the Amity Canal to industrial use for a power plant near Holly.

The study is expected to cost between \$500,000 and \$1 million and be completed by 2010. It will assess technical, economic and practical potential for efficient electricity use, including an analysis of ways Tri-State can further shave demand during peak use times. A third-party contractor will be used in order to assure information is impartial.

That's significant because Tri-State serves about 1.4 million people over a 250,000-square-mile area in 44 cooperatives in Colorado, New Mexico, Wyoming and Nebraska. The association has offered energy efficiency credits since 1985, but both Tri-State and Environment Colorado believe this will offer more opportunity for energy savings.

"Tri-State has a long-standing commitment to energy-efficient programs that create value for our member-owners," said Mac McLennan, senior vice president of external affairs. "The study is the next step in our energy efficiency efforts and will provide insight into the benefits of additional energy efficiency and load management programs."

"This study can help serve as a road map for Tri-State to increase the energy efficiency of homes, businesses, farms and ranches in rural Colorado," said Keith Hay, energy advocate. "As a result, Environment Colorado believes Tri-State can save money for their consumer-owners and reduce the need for new energy-generation facilities."

This is a rare chance for Environment Colorado, which has been tackling the state's top environmental problems for 30 years, to be able to work directly with a power provider toward solutions, Hay said.

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The Environmental Impact Statement is anticipated to be completed in late 2010 and will be available at <http://www.usda.gov/rus/water/ees/ea.htm>.

"We're excited to be moving forward with the study," Hay said. "We are not typically in a position to have utilities do this sort of thing, but we both thought it would make sense. I have to give Tri-State credit for working with us."

Tri-State also sees opportunities, said Lee Boughey, Tri-State communications manager.

"We believe the study will provide valuable information as we look at enhancements to our efficiency programs," Boughey said.

In 2007, Tri-State purchased nearly half of the shares in the Amity Canal, which stretches 80 miles from below John Martin Reservoir to the Kansas state line, in order to gain a supply for coal-fired power plants near Holly. The purchase came after Tri-State presented an open offer in late 2005 to irrigators to purchase water in Southeastern Colorado.

Tri-State estimates the shares could yield 20,000 acre-feet of water annually. The association also purchased farm land in the sale, which it intends to use for reservoirs, well fields and the plant site. Until the water is needed, perhaps 12-15 years down the road, farmers could continue to use it.

Later in 2007, Tri-State filed for a change of use in water court, and Environment Colorado was among 20 objectors.

Last year, Tri-State began a study of the possibility of building a nuclear power plant at Holly, but has made no decision on what type of fuel will be used.

To date Tri-State has settled with all but one of the objectors, the Verhoeff family, who farm on the Amity and are trying to protect their interests. While there have been settlement discussions, no agreement has been reached, according to court documents.

If there is a trial, it is scheduled to begin March 17.

"We remain optimistic that we can reach agreement with the Verhoeffs prior to our March court date," Boughey said.

The Verhoeffs' attorney did not immediately return a phone call.

Tri-State settled last month with the Lower Arkansas Valley Water Conservancy District over issues of revegetation that went beyond an October settlement with the Southeastern Colorado Water Conservancy District. Last year, Tri-State agreed to conditions that protect the state of Colorado in its dealings with Kansas on the Arkansas River Compact.

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